

COMMONWEALTH of VIRGINIA

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES 600 East Broad Street, Suite 1300 Richmond, VA 23219

February 23, 2007

ADDENDUM No. 1 TO VENDORS:

Reference Request for Proposal: RFP 2007-02
Dated: February 8, 2007
Due: March 22, 2007

Notice: The proposal due date as referenced throughout RFP 2007-02 has been changed. The new time and date is 2:00 P.M. EST, March 22, 2007.

Attached is the Department of Medical Assistance Services response to questions/inquiries as submitted by potential offerors before the February 20, 2007 2:00 pm E.S.T. deadline. Questions and answers from the mandatory preproposal conference are also included.

Note: A signed acknowledgment of this addendum must be received by this office either prior to the due date and hour required or attached to your proposal response. Signature on this addendum does not substitute for your signature on the original proposal document. The original proposal document must be signed.

Sincerely,

Christopher M. Banaszak

Christopher M. Banaszak Contract Officer

Name of Firm:	
Signature and Title:	
Date∙	

#	RFP Ref.	Question	DMAS Response
1.	ii	Will the Commonwealth consider extending the proposal due date to April 3, 2007?	The Department has made a decision to extend the due date of proposals to 2:00pm, March 22, 2007.
2.	1	The RFP notes that this is a fixed-fee contractual arrangement. Is the State open to alternate pricing methodologies?	No. Your proposals shall be based upon a fixed-fee contractual arrangement as stated in the RFP.
3.	3.2, 3.3, 3.4.9, 3.73	What are the current staffing levels for the following production areas: Call-Center, Eligibility, and Document Management/Mailroom?	The current Contractual staffing levels are as follows for the FAMIS CPU: Call Center = 17 Eligibility = 16 Document Management = 7 Contract Administrative staff = 10
4.	3.4.2	Please provide bidders with call distribution by hour of day?	The following hourly call distribution percentages are for Contract year 2006. 8-9am = 6.6%
5.	3.4.	Please clarify the intent of the statement that "voice mailbox calls shall be considered calls received but not answered." Does the Department intend that these calls be included in the answer rate performance calculation?	The Department intends that these calls will not be included as a monthly charge for calls answered, however they would be captured as outbound calls (based upon the number actually returned). These calls also would not be included in the answer rate performance calculation.
6.	3.4.5	How many after hour messages does the current vendor process on average?	The 2006 average number of calls received after hours was 1,378 on a monthly basis.
7.	3.4.7	The RFP notes that the call center shall have translation services for all non-English speaking callers. Other areas of the RFP note English and Spanish capability. Are there other languages that vendors should be aware of and concern themselves with?	As stated in Section 3.4.9 of the RFP, the Contractor is required to maintain sufficient on site bi-lingual speaking staff to adequately serve 15-20% of callers speaking Spanish. Section 3.4.7 refers to any non-English speaking callers (including Spanish and all other languages) and the Contractors requirement to have access to translation

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			services to service these callers. However, it should be understood that the number of Spanish translation services accessed should be diminished if adequate bi-lingual staff are in place as required.
8.	3.4.8 – Insure Kids Now Hotline	The RFP states that the Insure Kids Now hotline "may also be used to support calls under agreements with other sources as mutually defined by the Contractor and the Department." Please provide an example of potential uses of the hotline and the estimated impact of resulting call volumes. Will the Department be responsible for costs related to line changes, increased line usage, and additional staffing, if applicable?	One example of usage of the Insure Kids hotline was a special "Governors Hotline" set up as a project of the then current Governor of Virginia. The line shall be set-up in a manner which provides the capability of handling additional calls or routing and all calls received and staffing required will be the responsibility of the Contractor under the call center agreement for the average annual volume of calls received. (See next question for additional clarification)
9.	3.4.8	How many calls come in through the Insure Kids Now Hotline?	An average of 1,184 calls were received through the Insure Kids Now hotline in the last seven months of 2006. However it should be noted that these calls have been accounted for under the average volume of calls received.
10.	3.4.9 – Staffing Requirements	Please confirm that FAMIS program changes resulting from federal or state legislation are excluded from the Contractor's responsibility for costs related to adjusting staffing levels.	Federal or State legislative changes would be the Contractor's responsibility unless such changes are expected to increase the anticipated annual thresholds by more than 10%, in which case the Department and the Contractor shall negotiate a modification of the contract.
11.	3.4.10 10.1.4.b	Call abandonment rates are often computed excluding quick hang-ups, calls lasting less than 30 seconds. Will these calls be excluded from the computation of the call abandonment rate for VA FAMIS?	Immediate hang ups generally do not make it into the call distribution queue. Therefore, all calls received in the call distribution queue which are not answered, would be computed in the call abandonment rate.
12.	3.4.10	The RFP states that callers will receive information about appeal rights and procedures. Are these rights and procedures established or will the vendor work with the State to define them?	Appeal rights and procedures have been established and defined by the State and will be provided by the Department.
13.	3.4.10	The RFP states that callers will be provided with Medicaid citizenship and identity requirements. What are these requirements?	Please refer to the Title XIX Medicaid Manual, M0220.100 section C, found on the DSS website @

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			www.dss.virginia.gov
14.	3.6.9.c	Who fulfills bulk mail requests?	The Department's bulk mail contractor fulfils all requests for bulk mailings.
15.	3.6.11	What is the volume of materials to be stored? If a new vendor is selected, would they need to take over storage of the current vendor's materials?	As per section 3.6.9 "All inventory levels shall be maintained in order to provide adequate notice for the restocking of Department supplied materials". Inventory levels will be mutually agreed upon by the successful offeror and the Department. Yes, a new vendor will be required to store current materials that are still in circulation from the current vendor.
16.	3.7.3	The RFP states that performance standards shall be based upon an average monthly volume of 4500 applications received. Is this 4500 applications a total received across all programs (FAMIS, FAMIS MOM, FAMIS Plus, etc.)?	Yes. The Health Insurance for Children and Pregnant Woman application is an application for all four programs under this RFP.
17.	3.7.12	Are all of the rules required for the rules based engine in the RFP or will additional rules and rules determination be required post award? Also, will requirements such as interface specs and file transfer protocols be available upon reward?	The FAMIS RFP does not contain all of the rules required for the rules based engine, however additional documentation and guidelines will be provided post award. The Contractor will be responsible for the development and implementation of required rules based upon eligibility policy and procedures. Additional rules, interface specifications and file transfer protocols will be available upon award.
18.	3.10.2	Are the notification and reports referenced in this section electronic reports? If not would the Department be opposed to using electronic reports (file transfers) for the reporting and notification requirements described herein?	The notification and reports referenced are sent via secured e-mail in an excel format due to the small size of these reports. Additional details and considerations may be discussed post award.
19.	4.1.2	Does the space being occupied by the incumbent transfer to the successful bidder?	No, the Contractor has full responsibility for the location of Operations within the guidelines as stated in this RFP.
20.	4.1.2.a	Is the State open to other alternates that have greater utility with a lower price than can be offered for the configuration presented in the RFP? (re: Office Space)	The State is open to new and innovative strategies that provide the basic requirements for office space under this RFP in a cost efficient manner.

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21.	7.2	Will copies of all current member materials be made available to bidders?	All member materials are available for download from the FAMIS website @ www.FAMIS.org under the link "Partners and Professionals".
22.	7.6.5	The RFP states that "reports shall be developed and maintained in Actuate, Microsoft Excel, and/or Word as appropriate". Will the Commonwealth consider use of other products, such as Crystal, MS Access, Business Objects, Cognos, Brio, etc., to create these reports?	The Contractor may utilize any product to produce requested reports however the reports must be distributed to the Department in either Microsoft Excel or Word as appropriate.
23.	8.10	What is the frequency of the data exchange referenced here? Is this the same as the weekly and monthly reconcile data reference earlier in sections 8.8 and 3.10.2 respectively?	The Contractor will receive a file from the VaMMIS system both weekly and monthly and it is the same file referenced in Sections 8.8 but not referenced in 3.10.2. The report referenced in 3.10.2 would originate from the DMAS FAMIS Select coordinator and would be transmitted by secured e-mail.
24.	8.12.2	When the Department reference "HIPAA compliant Health Care Eligibility" transactions are you referencing the HIPAA privacy requirements, standard transactions, or both?	All transmissions and receipt of personal health information (PHI) must meet all HIPAA compliance requirements.
25.	8.12.6.B – Contingency Planning, Disaster Preparedness	Please confirm that the requirement for site back- up by an uninterruptible power source refers to the location of the production servers required to operate the FAMIS system, rather than the physical operations site of the Central Processing Unit.	The location of the production servers required to operate the FAMIS system must be backed up by an uninterruptible power supply source.
26.	8.15.1 – General Requirements	Section 3.1.1 of the Commonwealth's Web Site Standard states: 'All Agencies shall use the Commonwealth of Virginia Template, except as permitted in section 3.1.23 "Exemptions" and section 3.6 "Requesting Exemptions to Requirements"' Has DMAS received an exemption to use a non-standard design for the FAMIS web site? Is DMAS planning to apply for an exemption? Does DMAS require the Contractor to deliver a site that is in complete compliance with the Commonwealth standards?	The Department has requested an exemption to these requirements for the FAMIS.org website and is awaiting a response at this time. However, the Contractor will be required to comply with the Commonwealth's website standards and accessibility requirements if an exemption is not granted.

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27.	8.15.1 – General Requirements	The RFP says that the Contractor must "develop, maintain, update, host, and administer all FAMIS website activities" Can the Contractor propose to take over the current FAMIS website or must they propose a completely new site and design?	Offerors should propose taking over the current FAMIS website and include how they will meet all requirements as specified in the RFP.
28.	8.15.2	What are the State's standards for website uptime and accessibility?	Please reference Section 8.15.1 for the noted link to the Commonwealth of Virginia website and accessibility standards.
29.	11.2	This section requires a staffing plan for each operational "Production Unit". This is the first and only time this term is used in the RFP. Should bidders assume that the production units are the call center, eligibility processing, document management and mailroom? Are there other areas the Department would consider production units?	Production units would refer to all operational units (areas) the Contractor would deem necessary to meet the requirements under this RFP.
30.	11.3	Does the 12-point font requirement apply to text in graphics, tables, headers and footers?	No, 12-point font size is not required to be used in graphics, tables, headers, and footers. However, offerors should use a reasonable font size for this text.
31.	11.10.3	The RFP reads "The Offeror shall fully describe how it intends to meet all of the tasks required in Section 3 of this RFP and the Technical Requirements listed in Section 3 through Section 11.10.", should this actually read through Section 8, as the sections that follow 8 are not specific tasks that require responses. Please clarify.	Offerors are required to respond to all tasks as listed in this RFP and may disregard sections that do not require a specific response.
32.	11.11	Would DMAS consider extending the implementation timeline to allow six months for the full implementation effort, so that there is sufficient time for a contractor, other than the current incumbent, to conduct necessary and responsible implementation activities including systems development, testing and data migration?	All offerors shall submit proposals based upon the requirements and established timelines as noted in the FAMIS RFP 2007-02. Any changes to the established timeline may be discussed during the negotiation process.
33.	14.8.6 – Transition Plan	Please clarify if the Department intends that the Contractor include transition costs at the end of the base contract to be included in the fixed	All transition costs will be handled as a separate negotiation to be addressed at the time of contract transition.

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		monthly fee? Or does the Department intend that this will be handled as a separate negotiation to be addressed at the time of contract transition?	
34.	12.1	Is there a specific DMBE requirement in terms of percentage of the award total?	Agency Procurement and Surplus Property Manual (APSPM) Chapter 7, Section 7.2.j, requires an evaluation criterion for all contracts in excess of \$100,000 shall be a Small Business Subcontracting Plan. Furthermore, the weight for this evaluation criterion shall be at least 20% of the total evaluation points.
35.	Exhibit 1	In Exhibit 1, Estimated Volumes the number of incoming and outbound calls are provided. Will other call stats be provided such as average talk time and/or average length of call?	Talk time averaged 3.8 minutes per call based upon 2005/2006 averages.
36.	Attachment VI – Cost Proposal	Please clarify whether the pass thru postage as defined in Section 3.6.10 of the RFP is to be included or excluded from the detailed "Postage/Delivery" cost proposal line item of the cost schedules provided in Attachment VI of the RFP.	Pass thru postage, as defined in Section 3.6.10, would be a constant for all offerors and should not be included in the line item for Postage/Delivery of Attachment VI of the RFP.
37.	Attachment VI – Cost Proposal	Please identify the detailed line items required under Startup Costs for consistency across all proposals.	Pass thru postage, as defined in Section 3.6.10, would be a constant for all offerors and should not be included in the line item for Postage/Delivery of Attachment VI of the RFP.
38.	Attachment VI – Cost Proposal	Please clarify the specific period of time covered by Startup period, Year #1, Year #2, and Year #3 for purposes of developing the cost proposal.	The startup period would be the period of time from execution of contract through implementation date. This is a one time cost that the agency is willing to assist in order for an Offeror to "start" the program. For future consecutive operational years, the agency would not expect there to be additional startup costs.
39.	Attachment VI – Cost Proposal	The Cost details for Pricing Responsibilities to Co-Located DMAS staff include several line items not described as the Contractor's responsibilities in Section 4 of the RFP. Please clarify that the following line items are not the Contractor's responsibility: travel; office supplies; temporary help; and recruitment.	Travel, office supplies, temporary help and recruitment will not be the responsibility of the contractor and do not need to be included in the line items of Attachment VI for Offerors Cost Detail for Pricing Responsibilities to Co-located DMAS Staff.

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40.	General	Would the Commonwealth consider a Vendor bidding a takeover of the Virginia-owned FAMIS System currently being utilized by the FAMIS program, rather than bidding a brand new system?	Competitive negotiation (RFP process) has the advantage of flexibility for describing in general terms what is being sought and the factors to be used in evaluating responses. It also offers the opportunity for Offerors to propose new and innovative cost-effective solutions to both maintain the current level of operations and enhance the administration of the program. As such, the Department of Medical Assistance Services (DMAS) has no issues with an offeror submitting a proposal based on the current system. However, the proposed system must also meet all of the requirements set forth in RFP 2007-02.
41.	General	How many members are currently covered under the FAMIS, FAMIS MOMS, FAMIS Plus, and FAMIS Select programs respectively?	January 2006 enrollment totals by program: FAMIS = 46,703 FAMIS MOMS = 686 FAMIS Plus (Children's Medicaid) = 377,738 FAMIS Select = 382
42.	General	Marketing, outreach and education to potential and FAMIS members is not mentioned in the RFP. Will marketing, outreach and education be a responsibility of the successful contractor or is it the responsibility of the Department?	Marketing, outreach and education for the FAMIS program are the responsibility of the Department.
43.	Preproposal Conf. question Page 6	Is there a current organizational chart that's available including total number of FTE's that are on the project?	Please reference question #3 above for total FTE's under the current Contract.
44.	Conference question on page 8	Why must information be entered into both places, database and VaMMIS and is it data entry into both systems?	They are two separate systems. One is the department's enrollment system (VaMMIS), and the other one is the database used by the Contractor, and we need to have that information recorded in both. It would be up to the contractor as to whether or not it is data entered in both or they develop another method of inputting the data in both.

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45.	Conference question on page 47	Section 8.10 – Data Exchange Is that (the exchange of data) a daily transactional exchange? Is that weekly? Monthly?	Updates such as adds, changes and deletes can occur on a daily basis, real time. However, this section refers to the weekly and monthly enrollment file with is received by the Contractor by electronic file transfer protocol.
46.	Conference question on Section 8.13.4	(Secure e-mail communications) – Are you envisioning securing between the contractor and vendor as it goes over the internet or something secure with the internet environment? And (do) you have Tumbleweed in place for your end already?	We would envision as it goes over the internet. There are tools out there to use that would encrypt it, and secured email, and that's what we would be looking for, not looking for a secured pipe to and from our site. Yes, we use Tumbleweed currently here (at the Department). Additional response – The preferred way is business to business TLS ESMTP (Request for Comment RFC standard) encryption.
47.	Conference question on Section 8.15.3	(FAMIS Electronic Application) – "Once an electronic application is submittedapplicants must also submit a confirmation page". What kind of techniques are you looking at to include in there - the confirmation when a person submits an E-application?	(Question was requested in writing however not received). The clarification is stated in the last sentence of this paragraph, "Currently the confirmation page and other required verifications can only be submitted by mail or fax". Additional information on desired enhancements also follows in this section.
48.	Conference question - General	Can DMAS share with us the estimated annual budget? Just a ballpark on that?	No. We can not share the budgeted amount for this but you can look at the current contract dollar amount.
49.	Conference question - General	Is there a schema or a flow diagram prepared for sort of a synopsis for these programs and where the data goes and comes from which is voluntary, which is mandatory (some voluntary, some reconcilable)?	The Contractor would be responsible for the complete evaluation of eligibility for FAMIS and FAMIS MOMS. Since it is a joint application, the contractor must also perform a screening evaluation for FAMIS Plus and Medicaid for Pregnant Women. Any cases identified as potentially eligible for the latter programs would be referred promptly to the co-located DMAS FAMIS Plus unit for final eligibility determination and enrollment. The Contractor has full responsibility for ongoing case management of FAMIS and FAMIS MOMS cases, including those approved at LDSS and transferred (or not) to the CPU.

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50.	Conference question - General	Is there a minority requirement in this, and are there points associated with it, in terms of the proposed overall evaluation? And does the subcontractor have to have experience in whatever is presented?	Occasionally cases are entered into the State system and are unknown to the FAMIS database system. These cases must be reconciled into the FAMIS database from the State system and vice-versa upon receipt of weekly/monthly file from the Department's VaMMIS contractor. Under the FAMIS RFP, the Contractor is not an enrollment broker however, does have responsibility for gathering managed care information from recipients and adding, updating/changing and canceling coverage in the VaMMIS system. For new recipients, if no choice is made by the recipient, the VaMMIS system will auto-assign a MCO. The procurement manual guidelines indicate granting procurement over \$100,000 there is a small business subcontracting plan that must be submitted. And there is also an associated wait for that criteria. If you go to the Vendor's Manual, that minimum weight is 20 percent. Whoever you name, whether it's yourself or whether it's a subcontractor or a past history, all of those vendors have to be registered with DMBE (Department of Minority Business Enterprises) to qualify. (Regarding experience) – the Offeror is the one that has the ultimate responsibility for the performance of the contract.
51.	Conference question - General	Are all the questions and answers going to be circulated to everybody in the room?	Yes. They will be included in the addendum and the Department will e-mail them to all participants at the preproposal conference.